

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., et al,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	
	:	
	X	

**THIRD INTERIM FEE APPLICATION OF MMOR CONSULTING INC.
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES FOR TAX SERVICES PROVIDERS
TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD FROM
FEBRUARY 1, 2011 THROUGH MAY 31, 2011**

Name of Applicant: MMOR Consulting Inc.

Authorized to Provide Professional Services to: the above-captioned debtors and debtors-in-possession

Date of Retention: October 20, 2010 *nunc pro tunc* to June 1, 2010

Period for which compensation and reimbursement are sought: February 1, 2011 through May 31, 2011

Amount of compensation sought as actual, reasonable, and necessary: \$215,242.50

Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$2,860.27

This is a(n): monthly X interim final application

Prior Fee Applications Filed:

First Interim Fee Application for the period July 1, 2010 through September 30, 2010 dated December 13, 2010 included the following:

- Amount of compensation sought as actual, reasonable, and necessary: \$146,025.00
- Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$11,719.00

Second Interim Fee Application for the period October 1, 2010 through January 31, 2011 dated March 14, 2011 included the following:

- Amount of compensation sought as actual, reasonable, and necessary: \$229,281.25
- Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$ 2,694.96

COMPENSATION BY PROFESSIONAL
FEBRUARY 1, 2011 THROUGH MAY 31, 2011

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Morgese	Michael	President	782.70	275	\$215,242.50
		Total	782.70		\$215,242.50

Compensation **\$215,242.50**

Total Hours **782.70**

Rate **\$ 275.00**

August 1, 2011

COMPENSATION BY PROJECT CATEGORY
FEBRUARY 1, 2011 THROUGH MAY 31, 2011

Project Category	Total Hours	Total Fees
State & Local Tax Services	782.70	\$215,242.50
Total	782.70	\$215,242.50

EXPENSE SUMMARY
FEBRUARY 1, 2011 THROUGH MAY 31, 2011

Expense Category	Service Provider (if applicable)	Total Expenses
Transportation	Parking – 101 Hudson Street., JC, NJ \$1,192.00	\$1,192.00
Transportation	Parking – Other \$40.00	\$40.00
	Trip to Albany, NY \$195.00	\$195.00
	Trip to Boston, MA \$230.00	\$230.00
Meals	Various \$1,146.27	\$1,146.27
Deliver Charges	FedEx \$57.00	\$57.00
Total		\$2,860.27

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FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES FOR TAX SERVICES PROVIDERS
TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD FROM
FEBRUARY 1, 2011 THROUGH MAY 31, 2011**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals [Docket No. 1388] (the “Compensation Order”), MMOR Consulting Inc. (MMOR) hereby files this Third Interim Fee Application for the Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Debtors and Debtors-in-Possession for the Period from February 1, 2011 through May 31, 2011 (the “Application”). By this Application, MMOR seeks interim allowance pursuant to the Compensation Order with respect to the sums of \$215,242.50 as compensation and \$2,860.27 for reimbursement of actual and necessary expenses for the total of \$218,102.77 for the period February 1, 2011 through and including May 31, 2011 (the “Compensation Period”). In support of this Application, MMOR respectfully represents as follows:

Background

1. On September 15, 2008 (the “Petition Date”), the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. On July 1, 2011, the Debtors filed the second amended joint chapter 11 plan and disclosure statement [Docket Nos. 18204 and 18205].
3. MMOR was previously performing tax advisory services on behalf of the Debtors as a professional utilized in the ordinary course of business (“Ordinary Course Professional” or “OPC”). MMOR was further retained as a Tax Services Provider by the Court Order dated October 20, 2010, nunc pro tunc to June 1, 2010. The Retention Order authorized MMOR to be compensated on an hourly basis and to be reimbursed for actual and necessary out of pocket expenses.
4. To date MMOR has not increased the billing rate of its single service provider, Michael Morgese, to the Debtors.
5. Prior to the Compensation Period, MMOR filed its first application for interim allowance of compensation for professional services rendered and reimbursement of actual and necessary expenses on December 14, 2010 [Docket No. 13467] for the amount of \$146,025 in fees and \$11,719 in accrued expenses. The application is currently pending approval. In addition, MMOR filed its second application for interim allowance for compensation for professional services rendered and reimbursement of actual and necessary expenses on March 14, 2011 [Docket No. 15015] for the amount of \$229,281.25 in fees and \$2,694.96 in accrued expenses. This application is also pending approval.

Compensation Paid and Its Source

6. All services for which compensation is requested by MMOR were performed for or on behalf of the debtors.

7. MMOR has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between MMOR and any other person for services rendered in these cases.

Fee Application

8. The daily time detail for MMOR professionals that provided services during the Compensation Period is attached hereto as Exhibit A. To the best of MMOR's knowledge, this application complies with the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 20, 1991 and the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. Section 330 adopted on January 30, 1996, and the Second Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals [Docket No. 3102].

Actual and Necessary Expenses

9. MMOR incurred \$2,860.27 of reimbursable expenses during the Compensation period.

Summary of Services Rendered

10. MMOR Consulting Inc., by and through its professionals, has performed all necessary professional services which are described and narrated in detail hereafter.

Summary of Services by Project

11. The services rendered by MMOR during the Compensation Period include state and local tax audit representation including income, franchise, sales and use taxes. The professionals who rendered the services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibit A attached hereto.

A. Tax Services

Fees \$215,242.50; Total Hours 782.70

This category includes all matters related to the representation of Debtors, during various state and local tax audits in the areas of income, franchise, sales, use, payroll, etc.

Valuation of Services

12. Professionals of MMOR have expended a total of 782.70 hours in connection with this matter during the Compensation Period, as follows:

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Morgese	Michael	President	782.70	275	\$215,242.50
		Total	782.70		\$215,242.50

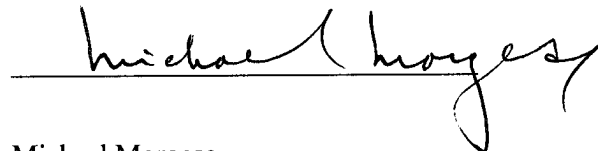
The daily detailed time records for the work performed by this person is fully set forth in Exhibit A attached hereto. The reasonable value of the services rendered by MMOR to the debtors during the Compensation Period is \$215,242.50.

13. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by MMOR is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, MMOR respectfully requests that the Court authorize that for the period February 1, 2011 through May 31, 2011, an interim allowance be made to MMOR pursuant to the terms of the Compensation Order, with respect to the sum of \$215,242.50 as compensation for necessary professional services rendered, and the sum of \$2,860.27 as reimbursement of actual necessary costs and expenses, for a total of \$218,102.77 and that any portion of such sums that remains unpaid be authorized for payment by the Debtors, and for such other and further relief as this Court may deem justified and proper.

Dated: August 1, 2011

Respectfully Submitted,



Michael Morgese
MMOR Consulting Inc.
750 Third Avenue-9th Floor
New York, NY 10017
Tel. (212) 768-2233

State & Local Tax Provider
For Debtors and Debtors-In-Possession

**UNITED STATES BANKRUPTCY COURT
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In re	: Chapter 11 Case No.
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LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF THIRD INTERIM FEE APPLICATION OF
MMOR CONSULTING INC FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES FOR STATE
AND LOCAL TAX SERVICES PROVIDERS TO THE DEBTORS AND DEBTORS-IN-
POSSESSION FOR THE PERIOD FEBRUARY 1, 2011 THROUGH MAY 31, 2011.**

I, Michael Morgese, hereby certify that:

1. I am the President of MMOR Consulting Inc. (MMOR) which maintains an office at 750 Third Avenue-9th Floor, New York, New York. I have personal knowledge of the facts set forth herein.
2. I submit this Certification in support of the third interim fee application dated August 1, 2011 (the "Application") of MMOR, seeking entry of an order, pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code") and rule 2016 of the Federal Rule of Bankruptcy Procedure (the "Bankruptcy Rules") granting interim allowance of compensation for services rendered and expenses incurred as state and local tax services providers to the above-captioned debtors and debtors-in-possession (the "Debtors") during the period from February 1, 2011 through and including May 31, 2011 (the "Interim Period"), and directing payment of fees and expenses that were not paid or which were previously subject to a holdback.

3. I have read the Application and, to the best of my knowledge, information and belief, formed after reasonable inquiry (a) I have read the Application, (b) to the best of my knowledge, information and belief after reasonable inquiry, the Application complies with the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. section 330 (the "Guidelines"), (c) to the best of my knowledge, information and belief and reasonable inquiry, the fees and expenses sought fall within the Guidelines, except as noted otherwise, (d) except to the extent that fees or disbursements are prohibited by the Guideline, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed MMOR and generally accepted by MMOR's clients, (e) in seeking reimbursement of expenses, MMOR does not make a profit on that expenditure, whether it is performed by MMOR in-house or through a third party, (f) MMOR has provided the US Trustee, the Debtors, the Creditors' Committee and the fee committee with Monthly Fee Statements for such fees.
4. There is no agreement or understanding between MMOR and any other person, for sharing of compensation to be received for services rendered or to be rendered in the Chapter 11 Cases.

WHEREFORE, I declare that the above is true and correct to the best of my knowledge.

Dated: August 1, 2011

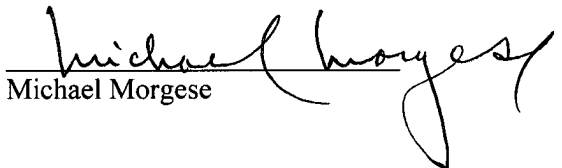

Michael Morgese

Exhibit A

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
2/1/2011	MM	Discussions, research regarding withholding of Va income tax.	2.20	275	\$605.00
2/1/2011	MM	Discussions with client and NYC officials regarding general corporate income tax payments for LBHI for 2003-2010.	3.70	275	\$1,017.50
2/1/2011	MM	Review Neuberger Berman LLC Philadelphia filing status thru 2008.	2.30	275	\$632.50
2/2/2011	MM	Preparation for Ma. hearing for PAMI for 2007.	2.75	275	\$756.25
2/2/2011	MM	Obtain and review information regarding Minnesota appeal.	3.10	275	\$852.50
2/2/2011	MM	Calls to NYS officials regarding warrant issued to LB Trust Co.	2.40	275	\$660.00
2/3/2011	MM	Meetings with client to discuss NYS settlement proposal.	4.30	275	\$1,182.50
2/3/2011	MM	Discussions with John Verde of PWC and NYS official regarding latest settlement proposal.	3.80	275	\$1,045.00
2/4/2011	MM	Review federal changes to determine impact on NYS settlement proposal.	5.40	275	\$1,485.00
2/4/2011	MM	Determine feasibility of withdrawing claim for refund of withholding taxes filed by LBI.	2.70	275	\$742.50
2/7/2011	MM	Review information regarding outstanding audits in preparation for a meeting with attorneys at Hughes Hubbard.	4.20	275	\$1,155.00
2/7/2011	MM	Meeting with client and attorneys at Hughes Hubbard.	3.90	275	\$1,072.50
2/8/2011	MM	Discussion with client regarding NYS claim for refund of withholding	4.10	275	\$1,127.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
2/9/2011	MM	Review federal changes regarding PAMI and their impact on the settlement proposal.	4.70	275	\$1,292.50
2/10/2011	MM	Determine impact of additional dividend exclusion for Calif. purposes in order to reduce assessment for 2006.	3.40	275	\$935.00
2/10/2011	MM	Determine impact of additional dividend exclusion for Calif. purposes in order to reduce assessment for 2005.	3.80	275	\$1,045.00
2/11/2011	MM	Review information to be provided to Calif. auditors for 2009.	4.40	275	\$1,210.00
2/11/2011	MM	Review information and discussion with NYC auditor regarding Lehman Brothers Commercial Bank LLC for 2006.	4.70	275	\$1,292.50
2/11/2011	MM	Review information regarding NYS audit of Neuberger Berman LLC 2006-2010	3.20	275	\$880.00
2/12/2011	MM	Review various NYS withholding tax assessments to officers for 2007/2008.	4.10	275	\$1,127.50
2/14/2011	MM	Meeting, discussions with Calif. auditors regarding 2008/2009.	3.70	275	\$1,017.50
2/14/2011	MM	Discussions with NYS officials, client,PWC regarding settlement discussions.	2.80	275	\$770.00
2/14/2011	MM	Discussions with NYC official and client regarding the reporting of State changes to NYC.	2.40	275	\$660.00
2/15/2011	MM	Meeting with Calif. audit team to discuss additional exclusion of foreign dividends for the years 2006 and 2007.	3.20	275	\$880.00
2/15/2011	MM	Review information regading NYS withholding tax assessment for 2007-2008 and the related settlement discussions.	5.40	275	\$1,485.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
2/17/2011	MM	Meeting with Calif. audit team to discuss various information regarding the apportionment factors.	4.35	275	\$1,196.25
2/17/2011	MM	Meetings with client to discuss NYS settlement proposal and in particular withholding taxes.	3.90	275	\$1,072.50
2/18/2011	MM	Meeting with client regarding Neuberger Berman financial information and its impact on state and local taxes for 2010.	2.80	275	\$770.00
2/18/2011	MM	Meetings with Calif. audit team regarding 2009 audit.	4.10	275	\$1,127.50
2/18/2011	MM	Discussions with client, John Verde of PWC regarding NYS settlement for 1992-2007.	1.30	275	\$357.50
2/19/2011	MM	Review receipts factor information for Calif 2005-2007	2.90	275	\$797.50
2/21/2011	MM	Research Minnesota treatment of financial institutions for 2004-2006.	3.75	275	\$1,031.25
2/21/2011	MM	Research Minnesota treatment of 80/20 companies to determine if LBHI's entities qualify for such treatment for 2004-2006.	2.80	275	\$770.00
2/21/2011	MM	Rewrite penalty abatement letter to NYS regarding Lehman Brothers Trust Co.	2.10	275	\$577.50
2/22/2011	MM	Review information regarding Neuberger Berman LLC taxability in Phila., Pa.	2.70	275	\$742.50
2/22/2011	MM	Discussions with client, John Verde of PWC and NYS officials regarding settlement for 1992-2007.	4.30	275	\$1,182.50
2/22/2011	MM	Letter to Minnesota Conferee regarding assessment for 2004-2006.	2.70	275	\$742.50
2/22/2011	MM	Meeting with client regarding NYS	2.80	275	\$770.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
2/24/2011	MM	Discussions with client regarding various alternatives to be included in the response to NYS proposed agreement.	4.70	275	\$1,292.50
2/24/2011	MM	Discussions with client, preparation of P/A,s regarding NYS payroll withholding taxes, etc. for 2007/2008.	2.10	275	\$577.50
2/24/2011	MM	Research to determine if BNC Mortgage Inc's activities in Minn. were deemed to be those of a financial services company.	3.80	275	\$1,045.00
2/25/2011	MM	Obtain and review information regarding Texas audit of LBHI and Subs. For 2008/2009.	3.80	275	\$1,045.00
2/25/2011	MM	Discussions with client and review information regarding NYS payroll audit for 2007-2008 (responsible person issue).	4.30	275	\$1,182.50
2/28/2011	MM	Meetings with client and review of 1st. Draft of NYS settlement agreement for 1992-2007.	4.30	275	\$1,182.50
2/28/2011	MM	Meetings with clients regarding NYS sales tax assessment for 1997/2008	3.80	275	\$1,045.00
2/28/2011	MM	Meetings with client to review second draft of NYS settlement agreement for 1992-2007	3.20	275	\$880.00
		Total Amount			<u>\$51,287.50</u>
<u>Reimbursable Expenses</u>					
<u>2/1/2011</u>	Parking 101 Hudson St. Jersey City NJ				\$298.00
<u>2/16/2011</u>	Lunch NYC official				\$110.98
<u>2/16/2011</u>	Parking, Tolls - Brooklyn, NY				\$40.00
<u>2/17/2011</u>	Lunch California auditors				\$101.03

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
3/1/2011	MM	Redraft NYS settlement proposal for 1992-2007	4.30	275	\$1,182.50
3/1/2011	MM	Discussions with client, Sutherland, PWC and A&M regarding various changes to NYS proposal for 1992-2007.	4.80	275	\$1,320.00
3/2/2011	MM	Review further redrafts of NYS settlement proposals and discuss with client, etc.	4.10	275	\$1,127.50
3/2/2011	MM	Discussions with client and A&M regarding the impact of not including 2008 in the NYS settlement proposal.	3.20	275	\$880.00
3/2/2011	MM	Review information regarding Minn. Protest for 2004-2006.	1.80	275	\$495.00
3/3/2011	MM	Made changes to draft for proposed NYS settlement regarding sales and withholding taxes.	3.10	275	\$852.50
3/3/2011	MM	Review documentation in preparation of meeting with NYS officials regarding settlement proposal on 3/7/2011.	4.80	275	\$1,320.00
3/3/2011	MM	Review information regarding NYS Request For Conciliation for Withholding taxes for 2007/2008.	1.20	275	\$330.00
3/4/2011	MM	Revise draft of NYS proposed settlement for 1992-2007.	3.80	275	\$1,045.00
3/4/2011	MM	Preparation for meeting with NYS officials and discussions with client regarding proposed settlement.	4.40	275	\$1,210.00

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
3/5/2011	MM	Prepare for meeting with NYS officials regarding income from subsidiaries and its impact on the overall settlement 2000-2007 .	3.80	275	\$1,045.00
3/5/2011	MM	Prepare for meeting with NYS officials regarding federal changes to income 1992/2007.	4.20	275	\$1,155.00
3/7/2011	MM	Meeting with NYS officials in Albany regarding settlement for 1992/2007.	7.00	275	\$1,925.00
3/7/2011	MM	Meeting with client, PWC, etc. to discuss revisions to the Agreement for settlement of NYS assessment for 1992/2007.	5.20	275	\$1,430.00
3/8/2011	MM	Meetings with client in order to evaluate NYS proposed changes to Settlement Proposal.	4.20	275	\$1,155.00
3/8/2011	MM	Review NYS Requests For Conciliation for Responsible Person for Withholding Taxes for 2007/2008.	3.70	275	\$1,017.50
3/8/2011	MM	Discuss with client Texas request for additional information regarding LBHI.	1.70	275	\$467.50
3/9/2011	MM	Discussions with client, PWC and NYS officials regarding changes to NYS proposal Agreements for 1992-2007.	5.40	275	\$1,485.00
3/9/2011	MM	Review documentation regarding NYS payroll audit of LB Global Services and related entities for 2006-2007.	3.80	275	\$1,045.00
3/10/2011	MM	Meetings with client and A&M regarding report to be presented to bankruptcy court for NYS settlement purposes.	6.30	275	\$1,732.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
3/11/2011	MM	Meetings with client regarding Form 9019 relating to NYS settlement agreement for 1992-2007.	3.70	275	\$1,017.50
3/12/2011	MM	Develop/obtain information such as assessments, cancelled checks, etc. regarding settled state and local tax audits of past 5 years.	3.10	275	\$852.50
3/12/2011	MM	Review information regarding Texas audit of LBHI.	2.30	275	\$632.50
3/14/2011	MM	Assisted client with various Neuberger Berman entities Texas filings to reinstate right to do business.	4.70	275	\$1,292.50
3/14/2011	MM	Discussion with client and Hughes Hubbard regarding NYS settlement for sales and withholding taxes.	4.40	275	\$1,210.00
3/15/2011	MM	Review information regarding Texas audit of LBHI.	2.40	275	\$660.00
3/15/2011	MM	Review information regarding sales/use tax audit of Neuberger Berman LLC for 2006/2008.	3.10	275	\$852.50
3/15/2011	MM	Meeting with client to discuss the separate Agreement for settlement of NYS taxes relating to LBI.	3.40	275	\$935.00
3/16/2011	MM	Review letter requesting abatement of NYS penalty for LB Trust Co.	1.80	275	\$495.00
3/16/2011	MM	Letter to NYS Conciliation Conferee regarding scheduled conference.	1.30	275	\$357.50
3/16/2011	MM	Meeting with client and with Deloitte/Touche representatives	3.70	275	\$1,017.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
3/18/2011	MM	Revisions to letter to NYS regarding penalty abatement - LB Trust Co.	1.70	275	\$467.50
3/18/2011	MM	Revisions to letter to NYS Conciliation Conferee regarding scheduled conference.	0.80	275	\$220.00
3/18/2011	MM	Review information in order to respond to Conferee's inquiries regarding Mass. assessment against PAMI.	3.50	275	\$962.50
3/18/2011	MM	Research thin capitalization issue in Mass regarding PAMI.	2.10	275	\$577.50
3/21/2011	MM	Meeting with Ca. auditors for LBHI and Subsidiaries for 2005-2009.	4.10	275	\$1,127.50
3/21/2011	MM	Review documentation regarding intercompany dividends (foreign to foreign) for Ca. for 2007.	2.70	275	\$742.50
3/21/2011	MM	Determine impact of including BNC as a financial corp. in the Minnesota returns for 2005-2007.	2.40	275	\$660.00
3/22/2011	MM	Research various Ma corporate tax issues regarding PAMI assessment for 2007.	2.80	275	\$770.00
3/22/2011	MM	Meetings with Ca auditors regarding LBHI and Subs. For 2005-2009.	3.70	275	\$1,017.50
3/22/2011	MM	Meetings with client and discussions with NYS tax official regarding proposed settlement for 1992-2007.	3.10	275	\$852.50
3/23/2011	MM	Meetings with client and Ca auditors regarding apportionment of income for years 2005-2009.	4.20	275	\$1,155.00
3/23/2011	MM	Discussions with client, A&M, NYS officials regarding redraft of settlement proposal for 1992-2007.	4.90	275	\$1,347.50

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
3/25/2011	MM	Obtain and review information regarding NYS settlement to be provided to FTI, Sutherland, PWC, et.	5.30	275	\$1,457.50
3/26/2011	MM	Review investment income and related expenses for NYS purposes for 1992-2007.	3.60	275	\$990.00
3/26/2011	MM	Review income and expenses attributable to subsidiaries for NYS for 1992-2007.	3.20	275	\$880.00
3/28/2011	MM	Review information to be supplied to Mass. conferee regarding PAMI's assessment.	2.60	275	\$715.00
3/28/2011	MM	Review information regarding response to Minn. conferee for 2004-2006.	3.40	275	\$935.00
3/28/2011	MM	Review revised NYS Settlement Agreement for 1992-2007.	3.10	275	\$852.50
3/29/2011	MM	Preparation and review of information for meeting with client, PWC, Sutherland, Steve Joffe, etc. to discuss the NYS settlement for 1992/2007.	5.40	275	\$1,485.00
3/30/2011	MM	Review information and meetings with client, etc. regarding NYS sales tax audit of Neuberger Berman 2006/2010.	4.20	275	\$1,155.00
3/30/2011	MM	Review information and meeting with client regarding Pa audit of Lehman Ali for 2004.	3.75	275	\$1,031.25
3/31/2011	MM	Review information and discussions with Texas auditor regarding audit of LBHI for 2009.	3.20	275	\$880.00
3/31/2011	MM	Discussions with client regarding NYS settlement agreement for 1992-2007.	4.40	275	\$1,210.00

[illegible]

MMOR Consulting, Inc. 750 Third Ave – 9th Fl. New York, NY 10017					
State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
4/4/2011	MM	Meetings with client, etc. regarding various changes to the NYS Settlement Agreement for 92-2007.	4.10	275	\$1,127.50
4/4/2011	MM	Meetings with client and Weil's attorneys regarding 9019 motion for NYS settlement.	4.70	275	\$1,292.50
4/5/2011	MM	Meetings with client regarding former employees NYS assessment for withholding taxes.	2.30	275	\$632.50
4/5/2011	MM	Review information requested by Ca. auditors regarding 2005-2007.	4.60	275	\$1,265.00
4/5/2011	MM	Redraft sections of NYS Closing Agreement for 1992-2007.	4.80	275	\$1,320.00
4/6/2011	MM	Meeting with client to discuss status of various state and local tax audits.	4.70	275	\$1,292.50
4/6/2011	MM	Review information to be submitted to Texas auditor for LBHI for 2009.	2.40	275	\$660.00
4/6/2011	MM	Review and discuss state and local impact relating to income/gains in states which do not allow NOL carryovers.	4.10	275	\$1,127.50
4/7/2011	MM	Revise NYS Settlement Agreement for 1992-2007 and discuss with client and NYS	4.30	275	\$1,182.50

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4/8/2011	MM	Meetings with client to discuss proposed changes by Weil Gotshal to NYS Settlement Agreement.	4.40	275	\$1,210.00
4/11/2011	MM	Obtain information and develop comments regarding affidavits supporting 9019 motion for NYS Settlement Agreement.	4.70	275	\$1,292.50
4/11/2011	MM	Review information regarding NYS sales tax audit of Neuberger Berman for 2008/2011.	2.10	275	\$577.50
4/11/2011	MM	Response to Minnesota conferee for 2004-2006.	3.80	275	\$1,045.00
4/12/2011	MM	Meetings with client and discussions with attorneys at Weil Gotshal regarding changes to 9019 document for NYS settlement.	4.40	275	\$1,210.00
4/12/2011	MM	Meetings with client regarding changes to NYS Settlement Agreement for 1992-2007.	4.30	275	\$1,182.50
4/13/2011	MM	Discussions with NYS officials relating to further changes to Settlement Agreement for 1992-2007.	3.20	275	\$880.00
4/13/2011	MM	Review Declaration supporting 9019 for NYS.	2.70	275	\$742.50
4/13/2011	MM	Meeting with client regarding changes to the NYS 9019 motion.	2.40	275	\$660.00
4/13/2011	MM	Review information regarding Texas audit of LBHI for 2009.	2.40	275	\$660.00
4/14/2011	MM	Review NYS 9019 document for 1992-2007.	3.80	275	\$1,045.00

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4/15/2011	MM	Meetings with client and discussions with NYS Officials regarding Settlement Agreement for 1992-2007.	3.80	275	\$1,045.00
4/15/2011	MM	Review response to Minn. Conferee regarding LBHI assessment for 2004-2006.	3.10	275	\$852.50
4/15/2011	MM	Obtain and review additional information on foreign dividends for Ca. audit for 2005-2009	2.70	275	\$742.50
4/18/2011	MM	Meeting with Ca. auditors to discuss issues relating to dividends from foreign subs. For 2006.	4.70	275	\$1,292.50
4/18/2011	MM	Meetings with client regarding changes to NYS 9019 motion.	3.10	275	\$852.50
4/18/2011	MM	Meeting with client regarding changes to Jeff Ciongoli and Jack Kramer affidavits to become part of the NYS 9019 motion.	4.30	275	\$1,182.50
4/19/2011	MM	Meeting with Ca. auditors to discuss issues relating to dividends from foreign subs. for 2007.	5.20	275	\$1,430.00
4/19/2011	MM	Revisions to the NYS 9019 motion and related Affidavits for 1992-2008.	4.60	275	\$1,265.00
4/20/2011	MM	Meeting with client and Ca. auditors regarding LBHI and affiliates apportionment factors for 2008 & 2009.	5.30	275	\$1,457.50
4/20/2011	MM	Meeting with client regarding changes to NYS 9019 Motion for 1992-2007.	4.30	275	\$1,182.50

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4/25/2011	MM	Review information to be provided to Texas auditor regarding LBHI for 2009.	2.80	275	\$770.00
4/26/2011	MM	Discussions with NYS officials relating to payroll assessments for LBHI for 2009-2010.	2.10	275	\$577.50
4/26/2011	MM	Meetings, discussions with Texas auditor regarding audit of LBHI for 2009.	4.70	275	\$1,292.50
4/26/2011	MM	Meetings, discussions with Ca. auditor regarding audit of LBHI and Subs. For 2007- 2009.	3.40	275	\$935.00
4/27/2011	MM	Review apportionment factor information for Ca. auditors for 2008-2009.	3.80	275	\$1,045.00
4/27/2011	MM	Obtain and review additional information on foreign dividends for Ca. audit for 2006.	4.10	275	\$1,127.50
4/28/2011	MM	Discussions with client and Chicago sales tax auditor regarding audit of Neuberger Berman LLC. for all open years.	2.60	275	\$715.00
4/28/2011	MM	Discussions with client and NYS officials regarding payroll tax issue for Lehman Brothers Global Services LTD. For 2009.	3.10	275	\$852.50
4/28/2011	MM	Discussions with NYS officials regarding an assessed penalty against Lehman Brothers Trust Co.	1.70	275	\$467.50
4/29/2011	MM	Discussions with client and	2.80	275	\$770.00

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State & Local Tax Audits					
Professional Services					
<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
5/2/2011	MM	Research Ma. thin capitalization rules regarding PAMI's protest for 2007.	4.20	275	\$1,155.00
5/2/2011	MM	Research NYC rules regarding the reporting of State changes.	3.75	275	\$1,031.25
5/2/2011	MM	Meetings with client regarding the allocation of NYS settlement to various affiliates.	3.10	275	\$852.50
5/3/2011	MM	Obtain and review information supporting adjustments in arriving at Ca. taxable income for 2007-2009.	4.80	275	\$1,320.00
5/3/2011	MM	Meetings with client regarding the allocation of receipts utilizing the (Gross Up) method for Ca for 2005/2007.	5.10	275	\$1,402.50
5/4/2011	MM	Meetings with client to discuss various aspects of NYS settlement prior to meeting with Ad Hoc. Commettee.	4.70	275	\$1,292.50
5/4/2011	MM	Meetings with client in preparation for Ma. Conference in Boston for PAMI for 2007.	3.60	275	\$990.00
5/4/2011	MM	Meeting with client to discuss method to allocate NYS settlement to affiliates.	3.20	275	\$880.00
5/5/2011	MM	Meeting in Boston, Ma regarding	6.50	275	\$1,787.50

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5/6/2011	MM	Letter to Ca. auditor regarding requested information relating to foreign dividends for the years 2005-2007.	4.30	275	\$1,182.50
5/9/2011	MM	Meeting with client and review information regarding the allocation of NYS settlement amount to various affiliates.	4.70	275	\$1,292.50
5/9/2011	MM	Review information regarding Mass. Assessment of LBHI for 2007.	3.30	275	\$907.50
5/9/2011	MM	Response to Ca. request for information for 2005-2007.	3.40	275	\$935.00
5/10/2011	MM	Meetings with client and Ca. auditors regarding requested documentation for the years 2005-2007.	4.20	275	\$1,155.00
5/10/2011	MM	Meeting with client regarding NYS settlement agreement for 1996-2007 (allocation to various affiliate).	3.60	275	\$990.00
5/10/2011	MM	Review information regarding Chicago sales tax audit of Neuberger Berman group of LLC's.	2.30	275	\$632.50
5/11/2011	MM	Meeting with client and Ca. auditors regarding issue of foreign dividends for 2005-2007.	6.10	275	\$1,677.50
5/11/2011	MM	Review information regarding Ma audit of LBHI for 2006-2008.	3.90	275	\$1,072.50
5/12/2011	MM	Review information regarding Ma. Audit of PAMI for 2007.	3.30	275	\$907.50

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5/13/2011	MM	Review gross up of receipts factor for Ca. purposes for 2005-2007.	6.10	275	\$1,677.50
5/16/2011	MM	Meetings with client regarding Ma audit of LBHI of 2006-2008.	3.30	275	\$907.50
5/17/2011	MM	Review NYS issues relating to investment income prior to meeting with Weil Gotshal attorneys.	2.80	275	\$770.00
5/17/2011	MM	Review NYS issues relating to income from subsidiaries prior to meeting with Weil Gotshal attorneys.	3.30	275	\$907.50
5/17/2011	MM	Meeting with client and WeilGotshal attorneys re. NYS settlement.	3.10	275	\$852.50
5/18/2011	MM	Preparation for and attendance at Bankruptcy Hearing regarding 9019 Motion for NYS settlement.	4.20	275	\$1,155.00
5/18/2011	MM	Meeting with client to discuss NYC assessments as well as settlement proposals.	6.10	275	\$1,677.50
5/19/2011	MM	Review NYC assessment work papers relating to NOL's for 1996-2007	4.70	275	\$1,292.50
5/19/2011	MM	Review reporting of federal changes to NYC for 1992-1995.	4.40	275	\$1,210.00
5/23/2011	MM	Review Ohio sales/use tax assesment of PAMI Statler Arms LLC 2003-2008.	2.10	275	\$577.50
5/23/2011	MM	Review recent response from Minnesota conferee regarding LBHI income taxes for 2004-	4.70	275	\$1,292.50

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5/24/2011	MM	Discussions with client and NYS officials regarding settlement for 1992-2007.	3.10	275	\$852.50
5/24/2011	MM	Discussions with client and NYC officials regarding proposed settlement for 1996-2007.	5.20	275	\$1,430.00
5/25/2011	MM	Discussions with client and review of information regarding the allocation of the NYS settlement to various affiliates.	4.30	275	\$1,182.50
5/25/2011	MM	Review information regarding the Gross Up method of determining receipts for Ca. purposes for LBHI.	3.20	275	\$880.00
5/25/2011	MM	Review Ohio sales/use tax law regarding in connection with the assesment of PAMI Statler Arms LLC 2003-2008.	3.10	275	\$852.50
5/26/2011	MM	Discussions with client and NYC officials regarding LB Alternative Investment Management assessment for 2004-2006.	4.10	275	\$1,127.50
5/26/2011	MM	Discussions with NYS auditor regarding payroll audit of Neuberger Berman LLC for 2006-2009.	2.70	275	\$742.50
5/26/2011	MM	Review information regarding NYS payroll audit of Lehman Bros. Asset Management LLC for 2005-2009.	2.40	275	\$660.00
5/26/2011	MM	Discussions with NYS officials regarding payment of corporate income tax settlement for 1992-	2.10	275	\$577.50

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